Incentives for Increasing Plant Load Factor

2026. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that the private companies now offering to set up power plants in India will be given extra benefits, after achieving certain level of Plant Load Factor;

(b) if so, the details thereof;

(c) whether these benefits were also offered to the existing SEB's and other public undertakings involved in the power generation|distribution; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU): (a) and (b) Tariff for sale of power by Generating Companies to State Electricity Boards is governed by the provisions of the Power Purchase Agreements negotiated between them. As per the tariff notification issued by the Central Government under Section 43A(2) of the Electricity Supply Act, the maximum incentive which could be paid for generation beyond the normative level of PLF of 68.5 per cent is 0.7 per cent of return on equity, for each percentage point increase.

(c) The above provision is applicable to all thermal power projects to be set up by the Generating Companies (including those in public sector) whose financial package for investment is approved by the Central Electricity Authority on or after the date of the tariff notification, namely, 31.3.1992.

(d) Does not arise.

Financial Assistance to Private Promoters in Power Sector

2027. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of POWER be pleased to state::

(a) whether one of the reasons for private promoter's involvement is scarcity of funds in power sector;

(b) whether it is a fact that private promotors of power projects are being allowed to raise upto 40 percent of their funds requirement from financial institutions in India;

(c) if so, what has prevented to public sector power generating companies and others to raise these funds from these institutions; and

(d) why foreign companies are being allowed to raise funds from our market?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU): (a) and (b) Yes, Sir.

(c) and (d) The public sector power generating companies and others are not prevented from raising funds from Indian Financial Institutions. The guidelines for setting up of power projects are equally applicable to the generating companies both in private and public sector. As any power project set up in India will have significant local expenditure, it is a prudent policy to allow the promoters to raise rupee resources also. Government also regulates maximum external commercial borrowings with a view to managing country's external debt profile.

Power Tariff

2028. SHRI PRAMESHWAR KUMAR AGARWALLA: Will the Minister of POWER be pleased to state:

(a) what is the average tariff charged for power per unit supplied to consumers these days;

(b) what is the tariff of power per unit likely to be charged after the private companies which are now setting up power plants, commence production;

(c) whether the rates would enable the SEB's to distribute power to consumers without any amount of subsidy;

(d) if not, what is the estimated loss per annum to SEB's on that account; and

(e) in what manner SEB's propose to meet that extra expenditure?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU): (a) The average tariff for sale of electricity supplied to the consumers by the State Electricity Boards worked out to 120.71 paise/kwh during 1993-94.

(b) Tariffs for sale of electricity to the consumers are fixed by the State Electricity Boards, with the approval of the State Government concerned, taking into account the pooled cost of generation (including the cost of purchase of power) and supply. The tariff for sale of power by the private companies now setting up power plants will be governed by the provisions contained in the Tariff Notification issued by the Central Government on 31.3.1992, as amended from time to time, and will differ from plant to plant depending upon the capital cost, financing pattern, type and source of fuel etc.

(c) The need and extent of subsidy payable to the different categories of consumers is decided by the State Electricity Boards in consultation with the State Governments concerned, taking into account the various socio-economic compulsions, among other things.

(d) and (e) Do not arise in view of (c) above.

Joint sampling of coal at power plants

2029. SHRI DIPANKAR MUKHERJEE: Will the Minister of POWER be pleased to state:

(a) what are the steps taken by Government to ensure joint sampling of coal at power plants, both in Central and State Sectors;

(b) whether any assessment has been made on the overall impact of poor quality of coal on the Plant Load Factor;

(c) if so, the details thereof;

(d) whether his Ministry has taken up the issue of installing washeries in Coal India to reduce ash contents at coal pi -heads; and

(e) if not, what steps are being taken by Government to reduce the ash burden on the power plants both from handling as well environmental point of view?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU): (a) Presently, sampling of coal is being done at loading end by an Organisation under the Coal Controller. The Utilities and Power Ministry have taken up with Ministry of Coal that Joint sampling at Power Station end is necessary.

(b) and (c) it is estimated that if coal as per design grade are supplied to the power stations which are now receiving inferior grade coal than their design grade, their PLF would improve. As per coal quality data received from power stations, 19 power stations received coal lower than their design grade during 1993-94.

(d) and (e) As a principle installation of washeries at coal mines for supply of washed coal to thermal power stationed at longer distance has been agreed but actual installation will depend on availability of resources.

Power generation in NTPC unit at Farakka

2030. SHRI NILOTPAL BASU: Will the Minister of POWER be pleased to state:

(a) what are the reasons for failure of 4th unit of NTPC at Farakka in January, 1994;

(b) by when the unit is likely to be put into operation;

(c) what is the estimated cost overrun;

(d) whether commercial power generation has started in the 5th unit of NTPC at Farakka;

(e) if so, what is the maximum load at which it has been run so far; and

(f) if not, what are the reasons for delay in commencement of commercial production?